



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

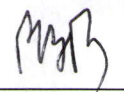
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report Minerals Regulatory Program June 21, 2010

Reviewed: 

| | |
|---|------------------------------------|
| Mine Name: Essex Mill Site Tailings Pond Reclamation | Permit Number: S/001/0075 |
| Operator Name: Gene Henrie – dba Quality Crushing | Inspection Date: 06/21/2010 |
| Inspector(s): Brett Gregory for Tom Munson | Time: 1:30 pm |
| Other Participants: Ed Ginouves (BLM) | Mine Status: Suspended |

| Elements of Inspection | Evaluated | Comment | Enforcement |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 1. Permits, Revisions, Transfer, Bonds | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Public Safety (shafts, adits, trash, signs, highwalls) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Protection of Drainages / Erosion Control | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Deleterious Material | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Roads (maintenance, surfacing, dust control, safety) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Concurrent Reclamation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Water Impoundments | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Soils | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Revegetation | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Air Quality | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Other | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Permit Fee: Delinquent

Bond Amount: \$18,000 (Cash)

Purpose of Inspection: This was a routine annual inspection.

Inspection Summary:

The mine is located on private property bordering SITLA lands. The operation consists of extracting magnetite from the processed tailings of the old Essex mine. The ore is precipitated from a floating circuit of magnetite slurry, decanted, and placed in the load-out facility seen in the attached photographs. There is a significant amount of wind blown fines collecting into pits and troughs used during the decanting process. No mining machinery was found at the site during this inspection. Only water hoses, abutted concrete blocks, and a water hydrant were left from the current mining operation.

Evaluation comments:

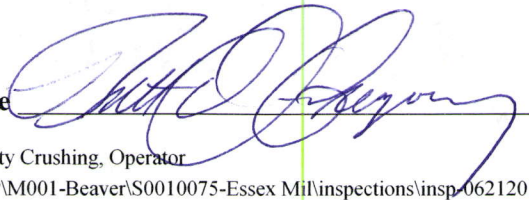
- 1) The permit has been suspended for failure to pay annual permit fees. The operator should submit payment for 2009 along with this year's fee to bring the permit out of suspension.
- 7) All mud pits, ledges, and highwalls will need to be backfilled and/or regraded to match the existing topography once the operator chooses to reclaim the site.
- 9) The soil is organically poor and most likely incapable of supporting plant life. The soil is partially consolidated and contains abundant amounts of fines.
- 10) Poor vegetation conditions predate the current mining disturbance and revegetation is most likely unnecessary. Russian thistle is the only plant growing in the disturbance.
- 12) Photographs and a GPS map are attached documenting the conditions of the site.



Conclusions and Recommendations:

The mining operation was inactive at the time of my inspection. No significant problems were found that require enforcement action. All delinquent fees should be paid to remove the suspended status. The Division will continue to monitor the site when in the area.

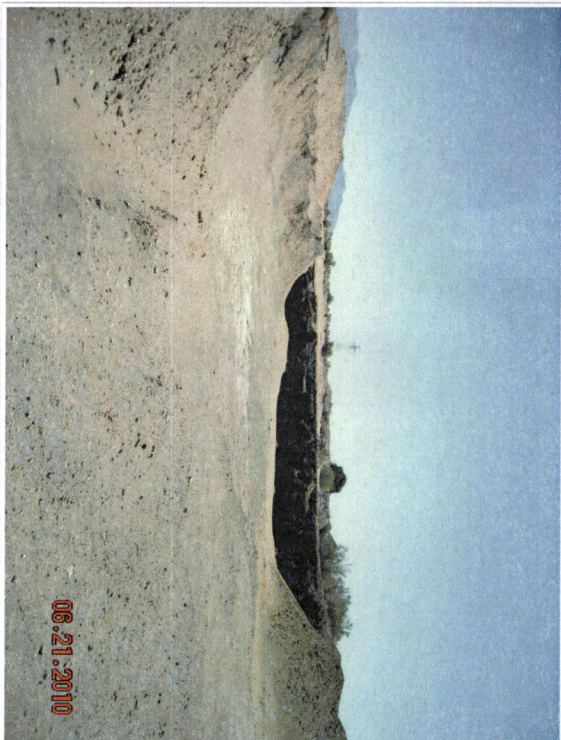
Inspector's Signature



BG: tm, pbb, vs

cc: Gene Henrie - dba Quality Crushing, Operator

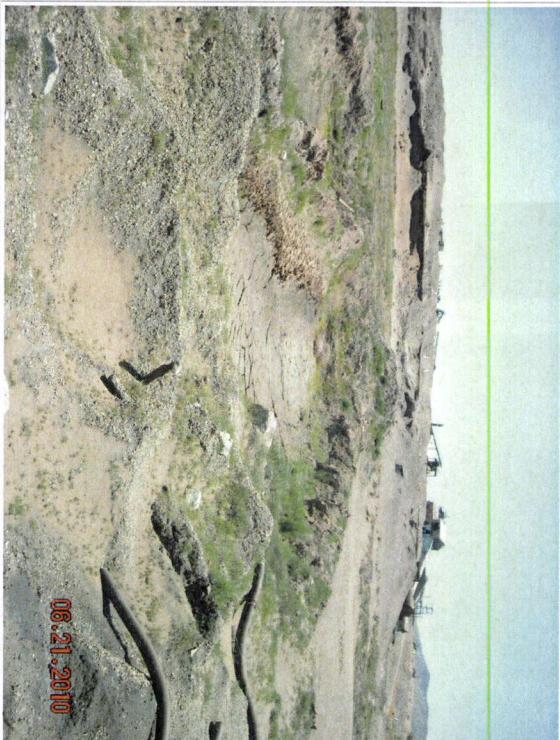
P:\GROUPS\MINERALS\WP\M001-Beaver\S0010075-Essex Mill\inspections\insp-06212010.doc



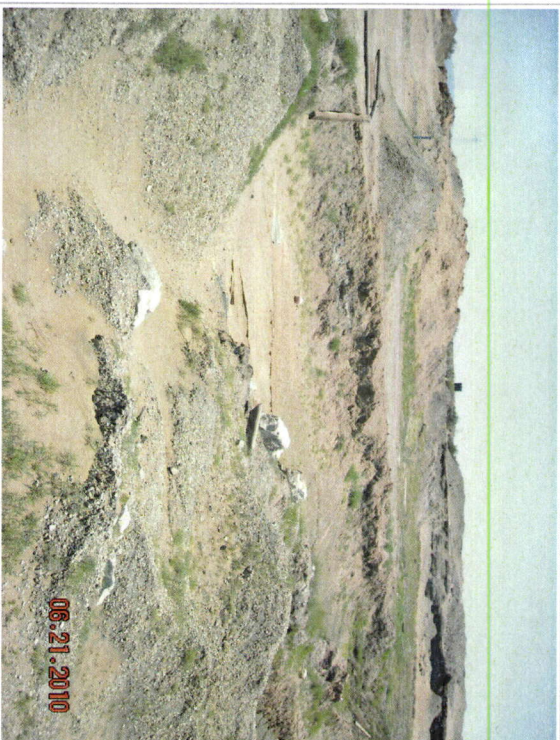
Very fine material with no apparent plant growth.



Ledges can be knocked-down and regraded!



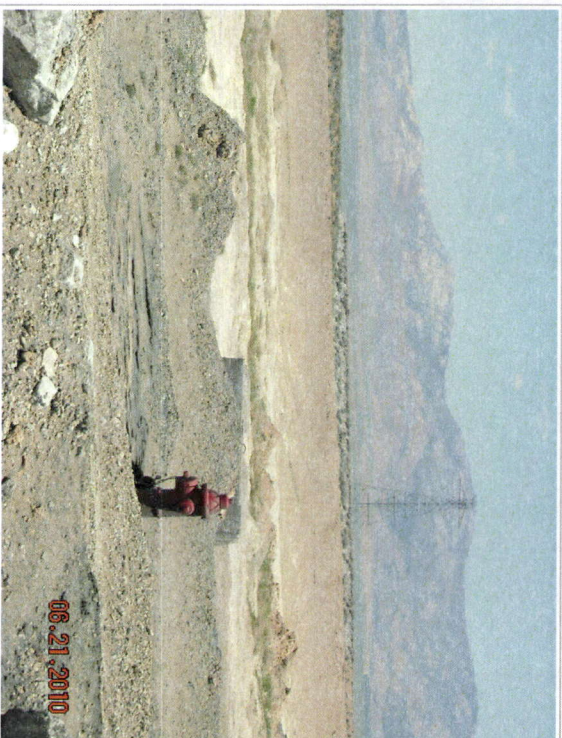
Mud pits with partially buried hoses and Russian thistle.



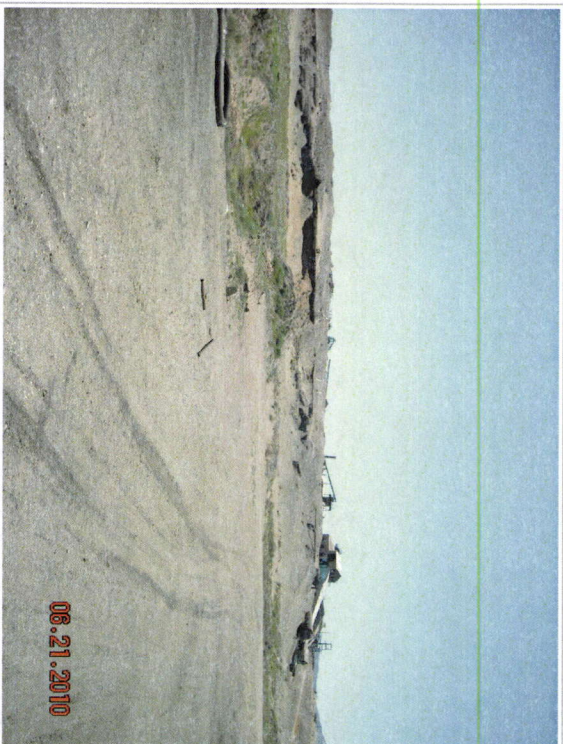
Collection of fines and Russian thistle.



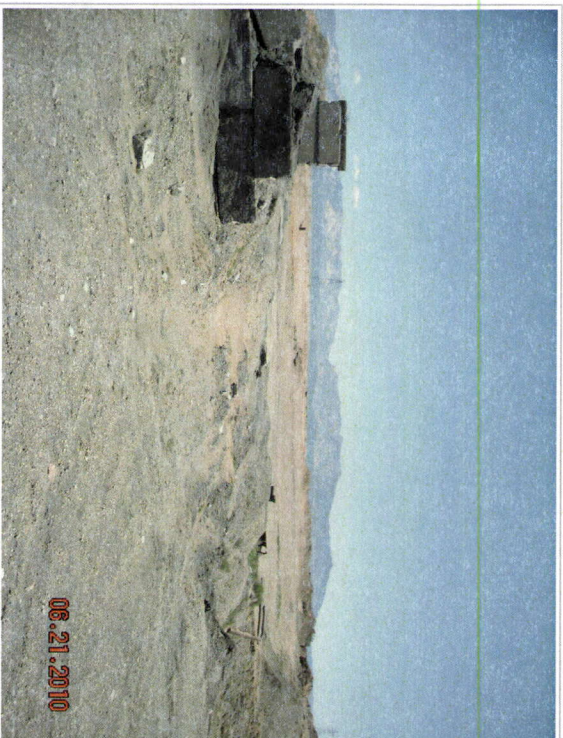
Load-out facility with wind blown fines.



Water hydrant installed for mining activities.



Dilapidated structures on the precipice of the hill predate current mining.



A whole lot of nothing!

Mine Number: S010075

Mine Name: ESSEX MILL TAILING POND REC

Township 7.0 S Range 1.0 W Section 34

Meridian: SLBM

6/30/2010

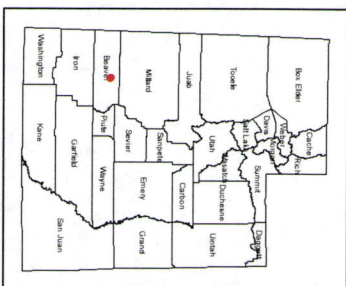
Map Produced by DKS

| | |
|-----------------------|-----|
| Acres Disturbed | 0.0 |
| Acres Regraded | 0 |
| Acres Seeded | 0 |
| Road Acres Disturbed | 0 |
| Total Acres Disturbed | 0.0 |
| Acres Released | 0 |
| Acres Excluded | 0 |
| Acres Preexisting | 0 |
| Acres Prelaw | 0 |

Legend
All items symbolized in legend may not be appear on map

- Interstate
- US Route
- State Route
- Primary Route
- Secondary Route
- Main Out Road
- Unimproved Road
- Proposed
- Tail
- Acres
- Mine
- Reclaimed
- Other
- Disturbed
- Regraded
- Seeded
- Reclaimed
- Pre-Existing
- Proposed
- STLA Mineral Lease
- BLM Mining Activity
- BLM Mining Activity
- Community?
- STLA Mineral Ownership

NAP Imagery date 2006



0 625
Feet
1:7,500 1 inch = 625 feet
Verify Scale

Dept. of Natural Resources
Division of Oil, Gas, and Mining
Mineral Mines Program
NAD 1927 UTM Zone 12N
Disclaimer: Data sources and report scales may cause misalignment of data layers. This product may not meet DGM standards for accuracy and content.